



INFORMATION GUIDE ON APPLYING FOR FUNDS

Under the 2005 ANNUAL ACTION PLAN

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

EMERGENCY SHELTER GRANT (ESG)

HOME INVESTMENT PARTNERSHIPS (HOME)

Planning and Development Department
2600 Fresno Street, Room 3076
Fresno, California 93721-3605
(559) 621-8500



Information Guide on Applying for Funds

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NOTICE OF FUNDS AVAILABLE

The City of Fresno invites non-profit and for-profit organizations to submit proposals for the development or maintenance of affordable housing, non-housing community development, economic development and public service activities that benefit low income residents of Fresno.

The City of Fresno is the annual recipient of federal Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) Program funds. The City allocates program funds to meet federal, City and community goals. The City anticipates receiving the following entitlements from the U.S. Department of Housing and Urban Development (HUD) for FY 2005:

<u>Entitlement Program</u>	<u>Estimated Funding*</u>
CDBG	\$9,186,000
HOME	4,123,000
ESG	343,189

* Funding levels are estimations provided by HUD for local planning purposes until the federal budget is approved. HUD does not expect the final allocation to differ greatly from the estimated figures.

This Notice of Funds Available seeks projects that meet the goals outlined in the City's Consolidated Plan:

- New Construction of Affordable Housing
- Housing Rehabilitation and Acquisition
- Redevelopment and Relocation
- Public Facilities Improvements
- Crime Awareness
- Emergency Shelter and Transitional Housing, Prevention of Homelessness and Permanent Housing for Homeless
- Economic Development

The City has prepared the Information Guide on Applying for Funds to assist interested persons and/or agencies in preparing project applications. Carefully review this document to determine if your project qualifies for one of the three programs. Only eligible projects will continue through the funding process. After reviewing this Information Guide and determining the funding source; obtain the appropriate application.

Submit one original application to:

**PLANNING AND DEVELOPMENT DEPARTMENT
ATTN: CRYSTAL SMITH
2600 FRESNO STREET ROOM 3076
FRESNO, CA 93721-3605**

Applications are due by:

**TUESDAY, MARCH 9, 2004
BY 5:00 P.M.**

POSTMARKS AND FAX TRANSMISSIONS WILL NOT BE ACCEPTED

Should you have questions on this matter please contact:

**Crystal Smith
(559) 621-8507
(559) 457-1338 fax
crystal.smith@fresno.gov**

What is the Annual Action Plan and the Consolidated Plan?

As a recipient of federal funding from the U.S. Department of Housing and Urban Development (HUD), the City of Fresno is required to submit an Annual Action Plan for the 2004-2005 fiscal year. This Annual Action Plan covers the planned activities by the City of Fresno for the three federal entitlement programs in which the City participates: the Community Development Block Grant (CDBG); the HOME Investment Partnerships Program (HOME), and the Emergency Shelter Grant Program (ESG).

The Annual Action Plan is the annual planning report of a four-year Consolidated Plan that was approved by the City Council on May 16, 2000, and covers the period of July 1, 2001 through June 30, 2004. The Consolidated Plan is a comprehensive assessment of housing and community development needs of lower income persons. There are more needs than can be addressed with the available federal funding; thus the Consolidated Plan details the priorities and provides a strategy for addressing those identified needs. The ten priority needs described in the City's adopted Consolidated Plan are included in the section of the Information Plan entitled "Summary of Four Year Priorities".

Each year the City of Fresno prepares an Annual Action Plan detailing the proposed activities and expenditures for the upcoming fiscal year. All activities identified in the Annual Action Plan correspond to specific priorities and needs identified in the City's Consolidated Plan. Funding applications that do not directly reflect a benefit to the priority needs identified in the Consolidated Plan will not be considered for funding.

Please note that each of the three programs covered by the Annual Action Plan are discussed separately in this guide. A separate application is required for each of the three applications. It is important to understand the federal project eligibility requirements for the programs and complete the appropriate application form.

2001-2004 Consolidated Plan Summary of Four-Year Priorities

GENERAL HOUSING PLAN

- A. **New Construction of Affordable Housing.** Increase housing opportunities for very low- and low-income families with five or more members (large related families).
- B. **Housing Rehabilitation and Acquisition Program.** Improve the available housing stock for low- and very low- income households.
- C. **Redevelopment and Relocation.** Pursue increased housing opportunities and assistance for those displaced through either code enforcement or redevelopment.
- D. **General Plan Update.** Monitor and update the City of Fresno General Plan and update the Housing Element and housing data as it pertains to development of affordable housing for very low- and low-income families. Continue to improve all other City regulations and processes that affect housing access and affordability.

NON-HOUSING COMMUNITY DEVELOPMENT PLAN

- E. **Public Facilities Improvements.** Provide public facilities improvements to facilitate neighborhood revitalization.
- F. **Crime Awareness.** Provide funds to increase law enforcement services, primarily in CDBG target areas using the public services portion of the CDBG entitlement.

ANTI-POVERTY PLAN

- G. **Emergency Shelter and Transitional Housing, Prevention of Homelessness and Permanent Housing for Homeless.** Continue to provide assistance for the homeless and those in danger of becoming homeless and improve the communication and service delivery capabilities of agencies and organizations that provide programs to assist the homeless.
- H. **External Support and Coordination of Services.** Depending on funding availability, continue to provide assistance to public agencies and nonprofit organizations providing neighborhood housing services, supportive services to the homeless, older adults with physical or mental impairment, the mentally ill, victims of domestic violence, and households with abused children among others. Coordinate with public agencies providing job training, life skills training, lead poisoning

prevention and remediation and other education programs that the City's Consolidated Plan strategies.

- I. **Economic Development.** Provide economic development and employment opportunity programs using a variety of funding sources.
- J. **Effective Program Monitoring.** Continue to monitor programs in the Consolidated Plan, Annual Action Plan and other applicable federal programs.

FY 2005 Annual Action Plan Proposed Time Line for Grant Application Process

January 5, 2004	Letters of interest Mailers to previous applicants and other interested parties.
January 12, 2004	Public Notice HCDC Performance and Pre-Planning hearing on 1/28/04.
January 21, 2004	Public Notice Availability of funds, grant application process and Technical Assistance Workshops
January 28, 2004	Public Hearing HCDC Public Hearing on Performance and Pre-Planning for the 2005 Action Plan.
February 5 5:30 to 7:30 p.m.	Technical Assistance Workshops Workshops to assist applicants on preparing the grant application. Discussion entails program requirements, eligible activities, Mayoral, Council Housing Task Force and Consolidated Plan priorities.
February 6 3:00 to 5:00 p.m.	
March 9, 2004	Application Deadline Deadline for CDBG, HOME and ESG applications.
March 9, 2004	Public Notice HCDC Public hearing on grant applications
March 10, 2004	HCDC Meeting Discussion on scoring procedures, Mayoral, Council Housing Task Force and Consolidated Plan priorities.
March 24, 2004 5:00 p.m.	Public Hearing HCDC to hear applicant presentations and review grant applications for the CDBG, HOME and ESG funds.
April 14, 2004	HCDC Meeting Recommendation from HCDC on the use of CDBG, HOME and ESG funds.
First week of May Date to be announced	Mayor's Proposed Budget Includes CDBG, HOME and ESG funding. Basis for the Draft Annual Action Plan.
First week of May Date to be announced	30-day Public Review Notice Public review of the Draft Annual Action Plan with the Mayor's recommended funding levels.

May 7, 2004	HUD initial review. Send Draft Plan to HUD for initial review and response.
May 7, 2004	Environmental Review. Environmental review conducted on City's continuing administrative programs (Home Buyer Assistance, CDBG admin, ESG admin.). Project specific E. A.'s conducted throughout year.
Early June Date to be announced	Council Public Hearing. Public hearing conducted on Annual Action Plan as a part of the City budget hearings. Final adoption by the Mayor/City Council on all budget issues on the Annual Action Plan.
Mid June Estimated Date	Submit to HUD the Council approved Annual Action Plan. Starts HUD 45 day-review period.
July 1, 2004	Program Year begins on Council approved projects.
August 15, 2004	HUD completes review and approves Annual Action Plan.
July - August	Track budget process and prepare amended 2005 Annual Action Plan to include projects amended by Mayor and Council.

Citizen Participation

The Mayor, City Council, and City staff encourage citizen participation through noticed public meetings and public hearings, as well as through a published announcement of proposed uses of funds prior to final project selection.

Housing and Community Development Commission (HCDC)

An appointed commission, the HCDC, is responsible for making recommendations, related to the Consolidated Plan, to the Mayor and the City Council. The HCDC will conduct a public hearing on March 24, 2004, prior to presenting their recommendation to Council. The hearing will provide an opportunity for applicants to present proposed projects to the commission.

Mayor and City Council Review

The City Council adopts the Annual Action Plan during the City's budget process in May. Prioritized community needs, recommendations made by the HCDC, public comments, and federal program allocations contribute to the funding decisions made by the Mayor and City Council.

Notification of Award, Agreements and Monitoring.

Organizations awarded funding will receive award letters mid-June. Agreements are executed in July. All activities that are approved for funding will go through environmental and historic review processes. The City will be responsible for addressing these requirements, except if an environmental impact report is required to address complex issues. Prior to the expenditure of funds, the City will execute an agreement with the agency describing the funding obligations. During the contract period, the City will monitor the project for accounting and program compliance.

Throughout the year, citizens can comment on the performance of the City's CDBG, ESG, and HOME Programs. The Planning and Development Department will respond to written comments in a timely manner. The City is required to prepare an annual report, known as the Consolidated Annual Performance and Evaluation Report (CAPER), which documents the progress of funded activities and the accomplishments of these projects. The CAPER is available for public review 90 days after the close of the program year and can also be accessed at the City's website.

Questions, comments, suggestions, or concerns related to the Annual Action Plan may be addressed to:

Planning and Development Department
ATTN: Crystal Smith
2600 Fresno Street, Room 3076
Fresno, California 93721-3605
(559) 621-8507

City web page information can be found at www.ci.fresno.ca.us, under City Departments select Housing/Economic/Community Development.

What Is the Community Development Block Grant Program?

The Community Development Block Grant (CDBG) Program is administered by HUD and is authorized under Title 1 of the Housing and Community Development Act of 1974, as amended. The purpose of the CDBG Program is to enhance and maintain viable urban communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, principally for low- and moderate-income persons.

In order for an activity or program to be eligible for CDBG funding, it must qualify by meeting **one** of the following three national objectives:

National Objective No. 1 - Activities Benefitting Lower Income Persons/Households

The definition of a lower income person or household is one having an income equal to or less than 80 percent of the Fresno Area median income as established by HUD. (If your project requires current year income levels, contact City staff. A minimum of 70 percent of the City's total allocation must be used for this purpose. Activities benefitting lower income persons/households fall into four categories: area wide activities, limited clientele activities, housing activities and job activities.

Area Wide Activities - These are activities that serve geographic areas in which at least 51 percent of the households are lower income, based on census data. To meet this criteria, 51 percent of household incomes must be equal to or less than 80 percent of the median income of the project's service area. Included in this Information Guide is a map that identifies the census tracts meeting this qualification requirement. Check with City staff if your activity serves both eligible and ineligible areas.

Examples of Area Benefit Activities include public improvements, i.e., street, sidewalk, curb, and gutter improvements (including related design and engineering work), park improvements, community centers, and public facilities.

Limited Clientele Activities - To qualify as a limited clientele activity, there must be documentation that the service/project directly benefits lower income residents. At least 51 percent of the recipients of service/project must have incomes equal to or below 80 percent of the median income. Certain other activities, such as housing rehabilitation, require all program participants to be lower income households.

HUD presumes certain groups meet the lower income criteria. HUD has defined these groups as: abused children, battered spouses, elderly persons, adults with severe disabilities, homeless persons, illiterate adults, persons living with AIDS, and migrant workers.

Housing Activities - Housing activities include acquisition or rehabilitation of properties. CDBG funds may not be used for new housing construction, but may be used for property acquisition and construction of off-site improvements in conjunction with new construction.

The City currently has a housing rehabilitation program for lower income owner- and renter-occupied units. Persons wanting more information about these programs should contact the Housing and Community Development Department at (559) 621-8500. The application process described in this Information Guide does not pertain to these housing rehabilitation programs.

Job Activities

CDBG funds may be used to undertake certain economic development activities. Activities under this category are required to create and/or retain jobs for low and moderate income persons. There are stringent guidelines under this criteria. It is advised that persons or organizations interested in this activity work directly with staff to ensure the parameters of the regulations are met.

National Objective No. 2 - Activities That Aid in the Prevention or Elimination of Slums or Blight

If a project cannot meet the low income objective, a project may qualify if it benefits a slum or blighted area. State or local laws define slum and blighted areas as those that contain a high number of deteriorating or dilapidated buildings or infrastructure within the area. Redevelopment project areas generally qualify under this category. **Note:** Most blighted areas also qualify under National Objective No. 1 (Activities Benefitting Lower Income Persons/Households) and it is **not** necessary for you to spend time on the application justifying how you meet the special requirements for slums and blight.

To meet this objective, the activity must be located in a City redevelopment area and in an area where there is a substantial number of deteriorated or deteriorating buildings. The activity must be designed to address one or more of the conditions that qualified the area as “slum/ blighted.”

Projects may qualify outside a slum or blighted area on a spot blight basis. Activities include acquisition, demolition, rehabilitation, relocation, and historic preservation. Under this standard, rehabilitation of a building or a house is limited to the extent necessary to eliminate substandard conditions detrimental to public health and safety.

National Objective No. 3 - Activities Designed to Meet Community Development Needs Having a Particular Urgency

Activities must be designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community that became urgent within the past 18 months. The City must demonstrate that other sources of funding are not available. Again, projects that meet either National Objective No. 1 or 2 do not need to meet this objective. **Note:** This objective is difficult to achieve because the City must demonstrate that it has used all of its available resources prior to qualifying. This usually occurs only in a major disaster.

Eligible CDBG Activities

In addition to meeting one of the above national objectives, the activity must also be eligible, according to HUD-approved criteria. Eligible activities include the following:

- 1) Acquisition, design, construction, rehabilitation, or installation of certain publicly-owned facilities such as:
 - Parks, playgrounds and recreational facilities
 - Senior centers, except 24-hour care facilities
 - Centers for the handicapped, except 24-hour care facilities
 - Neighborhood facilities
 - Parking facilities
 - Street improvements including curbs, gutters, sidewalks, lights and street pavement
 - Water system improvements including fire hydrants
 - Flood, drainage, or sewer facilities
- 2) Public Services - Expansion and improvement in the quantity and quality of public services, principally for lower income persons. A maximum of 15 percent of the City's total annual CDBG allocation may be used for public service activities.

Examples of public services include: crime prevention, child care, health care, job training, recreation, education, fair housing, senior citizens programs, homeless services, drug-abuse related services, energy conservation, home buyer assistance and welfare services (excluding provision of income payments).

- 3) Acquisition of property that is of historic value; appropriate for beautification or conservation of open spaces; or appropriate for low- or moderate-income housing.
- 4) Elimination of conditions that are detrimental to health, safety and public welfare through interim rehabilitation such as: Demolition of buildings and clearance of land that may be a health hazard to the community
- 5) Interim assistance or temporary help to alleviate harmful or dangerous conditions
- 6) Removal of architectural barriers that restrict mobility of persons with disabilities
- 7) Code enforcement in designated targeted areas
- 8) Historic preservation activities such as restoring and preserving properties formally designated as historic structures.
- 9) Conservation and improvement of the housing stock through rehabilitation of homes belonging to lower income persons.
- 10) Assistance to lower income first-time home buyers.
- 11) Rehabilitation and preservation of buildings and improvements, both publicly and privately owned.
- 12) Eligible planning and environmental design cost.
- 13) Eligible economic development activities such as creation of jobs for persons of low- and moderate-income through the expansion of business opportunities by providing financial incentives to small businesses. **Note:** There are additional federal requirements for qualifying projects under this provision. Interested persons should discuss their proposal with City staff prior to submitting an application.

Ineligible CDBG Activities

- Buildings for the general conduct of government such as city halls, courthouses, and police stations (Note: Police substations may be built in CDBG-eligible areas.)
- Stadiums, sports arenas, auditoriums, museums, and central libraries (Note: Branch libraries and community centers may be built in CDBG-eligible areas)
- Airports, subways, bus or other stations
- Expenses of general government for operation and maintenance of public facilities

- Political activities
- Direct income payments to residents
- New housing construction (except when done by a community-based development organization recognized by HUD)

What Is The Emergency Shelter Grant Program?

HUD administers the Emergency Shelter Grant (ESG) Program as authorized under the McKinney Act in 1990. The purpose of the ESG Program is to enable homeless individuals and families to move toward independent living. An emergency shelter is defined by the grant as “any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.” To demonstrate capacity, the agency must have shelter that has been in operation for at least one year.

The National Affordable Housing Act of 1990 and the Housing and Community Development Act of 1992 permits up to 10 percent of the ESG grant to be used for the City staff costs associated with the operation (maintenance and security) of a shelter. Facilities utilizing ESG funds for major rehabilitation must be used as a homeless facility for at least ten years. Other rehabilitation activities other than major rehabilitation requires that the facility be used for at least three years.

The ESG Program requires an amount equal to or greater than the ESG grant in matching funds. This match can be in the form of cash donations, fund raising drives, non-HUD governmental grants, volunteer labor (rate: \$5/hour), and donated materials or buildings.

ESG Program Eligibility

In order for a project to be eligible for ESG funding, all funds must be used for the following:

Renovation, major rehabilitation or conversion of buildings for use as emergency shelters for the homeless. Note: Acquisition and new construction of shelters are ineligible expenses.

- Provision of essential services to the homeless (limited to 20 percent of project costs).
- Payment of shelter operations such as utilities, insurance, maintenance and security, rent, repair, fuels and equipment. The project excludes administrative staffing expenses.
- Homeless prevention activities (Note: There are special restrictions for this use. You should check with staff first if your project involves these activities.)

Ineligible ESG Activities

- Assistance to organizations that require **religious instruction or counseling**, as part of the provision of homeless assistance. Renovation of certain buildings belonging to primarily religious organizations are defined by HUD as prohibited from receiving ESG funding.
- Assistance to organizations with facilities which do not have documentation that the units, to be occupied by children under the age of six, have not been abated for **lead-based paint**. If a shelter has units having one or more bedrooms, and a person receives assistance for more than 100 days, all child-occupied spaces must be lead safe. (Exceptions: Zero-bedroom dwellings are exempt from the lead-based paint requirements. These dwellings are defined as any residential dwelling which the living areas are not separated from the sleeping area. This would include efficiencies, studio apartments, dormitory or single room occupancy housing, military barracks and rental of individual rooms in residential dwellings. Single room occupancy housing is defined as housing consisting of zero-bedroom dwelling units that may contain food preparation or sanitary facilities or both. Group homes are exempt if they consist of rentals of individual rooms in residential dwellings.)

Organizations with units that are not exempt will be required to provide documentation that the units have met the requirements of the law.

Note: The provisions of the Davis-Bacon Act do not apply to the Emergency Shelter Grant Program.

What Is the Home Investment Partnership Program?

HUD also administers the Home Investment Partnership (HOME) Program as authorized by the 1990 National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992. The intent of the HOME Program is to expand the supply of decent, safe, sanitary and affordable housing.

Eligible HOME Activities

- Community Housing Development Organizations (CHDO). HUD requires that 15 percent of the City's HOME funds be set aside for CHDO activities. There is a separate application process and time frame with funds restricted to qualified nonprofit organizations with 501(c)(3) tax status and other special requirements. You should talk with City staff regarding those requirements, if you are interested in applying for these funds.
- Home ownership assistance
- Rehabilitation
- New construction of affordable housing
- Tenant-based rental assistance
- Acquisition of property for affordable housing

Additional HOME Program Requirements

In order for an activity or program to be eligible for HOME funding, it must qualify by meeting the following guidelines:

- One hundred percent of all funding must be used to benefit households or persons with incomes less than 80 percent of the Fresno Area median income, as defined by HUD.
- HOME funds may be used for rehabilitation, tenant-based rental assistance, new construction, lower income home buyer assistance, acquisition of property for affordable housing or CHDO activities.
- All HOME-funded projects must have 25 percent non-federal matching funds.

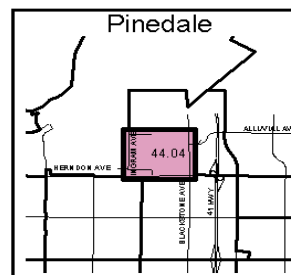
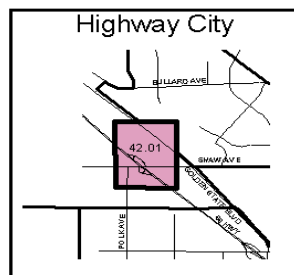
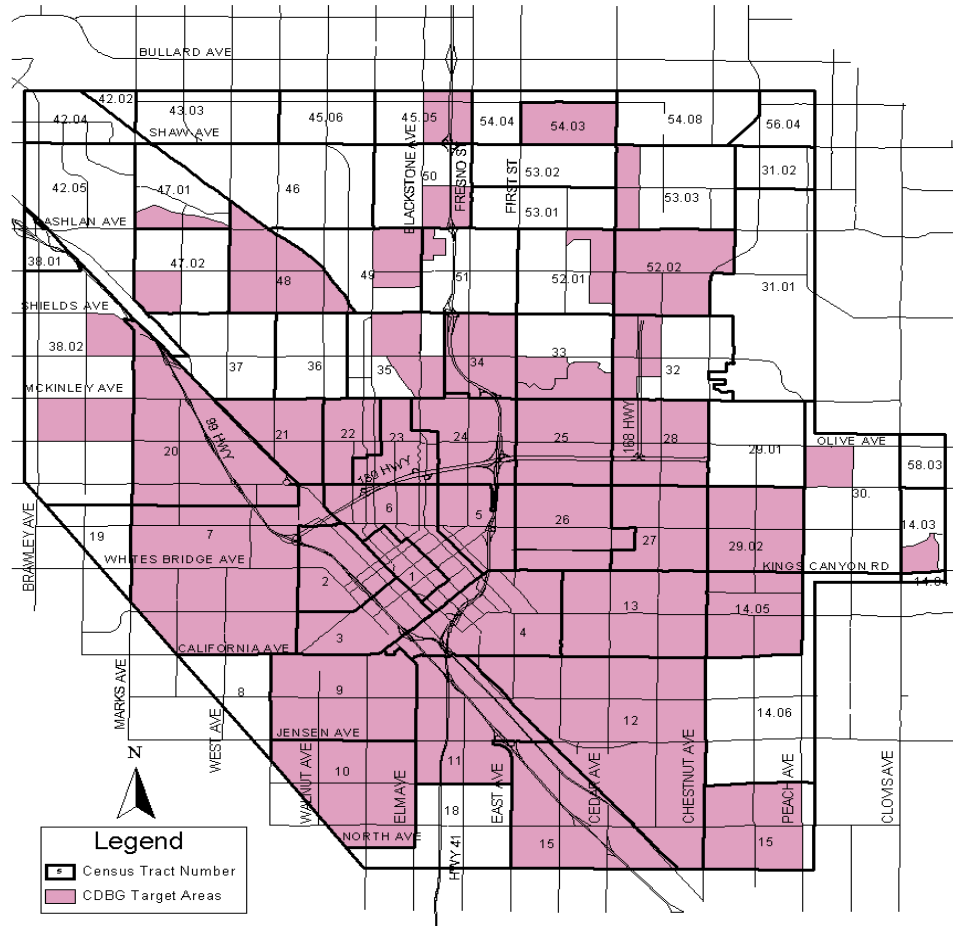
- The HOME program has strict long-term affordability requirements which differ based on the type of project and the amount of funding requested per unit. You should check with City staff for specific requirement prior to submitting an application.
- Prevailing wage requirements are different from the CDBG program. Federal prevailing wages (Davis-Bacon) are triggered when there are 8 or more units assisted with CDBG funds. For the HOME program, it is 12 or more units. If a project will trigger this important requirement, the cost estimate should be adjusted accordingly.

Ineligible HOME Activities

- Emergency repair programs;
- Project reserve accounts;
- Public housing projects;
- Properties receiving Rental Rehabilitation Program funds;
- Commercial properties;
- Homeless shelters;
- Project-based rental assistance or substitution of Section 8 assistance for troubled HUD-insured projects;
- Preservation of affordable housing projects;
- Matching funds as the non-federal match for other programs except to match McKinney Act funds;
- During the period of affordability, properties previously assisted with HOME funds;
- Temporary shelters;
- Other properties that do not constitute permanent housing such as residential health care facilities and publicly run residential institutions; or

- Acquisition of City or agency-owned properties.

CDBG ELIGIBLE AREAS



INSURANCE REQUIREMENTS BY THE CITY OF FRESNO

Insurance

Financial Obligation

<input type="checkbox"/> Certificate of Liability Insurance	\$ 1,000,000
<input type="checkbox"/> Certificate of Automobile Insurance on all Vehicles	1,000,000
<input type="checkbox"/> Workers Compensation Insurance	State Requirement

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Endorsements

- ☐ City Listed as Additional Insured
- ☐ Additional Insured - Designated Person or Organization
- ☐ Additional Insured Blanket Primary
- ☐ Additional Insured - Owners, Lessees or Contractors
- ☐ Additional Insured - Designated Person or Organization

If you have questions on how to obtain these forms, please contact your insurance carrier. The City of Fresno's Risk Management Department will review for accuracy all documentation submitted.